



APA CALIFORNIA LEGISLATIVE UPDATE MAY 2024

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Legislature Works to Pass Hundreds of Bills Introduced in Their Respective House

The Appropriations Committees met on May 17 to consider hundreds of bills sitting on the “Suspense File”, where proposed legislation with state costs above a specified threshold are sent to be considered at one time. It is common for several bills on the Suspense File to be held, due to fiscal impacts, and therefore stopped from moving forward. This year was especially challenging given the state’s budget deficit (noted below) and overall, a higher percentage of bills were held, relative to previous legislative sessions. That said, most high priority planning-related bills continued to move. Since then, the Legislature worked on the floors of their respective house to pass bills to the other house by the May 24 deadline. Policy Committees will resume in June, where all planning-related bills will have a second pass before Summer Recess in July.

APA California continues to track nearly [400 bills](#) of interest to planners this year, while working on several of higher priority. We continue to share [position letters](#) and even if you don’t see a position letter on a particular bill, that doesn’t mean we aren’t working on it. We are often working in advance of taking a position to try and address concerns where possible or are asked to provide technical feedback on bills generally as they move. We also continue to welcome APA California members to reach out to policy@apacalifornia.org if you have questions or thoughts on a particular bill or issue before the Legislature.

Governor Newsom Releases May-Revise, Projecting Higher Deficit and Additional Cuts

Governor Newsom released the [May-Revision](#) to his proposed 2024-2025 State Budget on May 10. After eliminating \$17.3 billion in early action budget cuts that were passed in April, the May-Revise now anticipates a \$27.6 billion deficit that will need to be addressed in the coming weeks as budget negotiations continue. Revenues have again fallen short of the Administration’s expectations since January, which increased the budget deficit overall by \$7 billion. With the early action taken on the budget already and increased shortfalls, the total budget deficit stands at \$44.9 billion for this year alone. While there are not too many new changes in the May-Revise of direct interest to planners, compared to the proposed budget released in January, there are a few items to highlight:

REAP 2.0 Grants – Unfortunately, this program remains on the chopping block, as originally proposed in January. APA California has voiced concern with the proposal earlier this year and will continue to do so. The May-Revise also proposes new reductions, in addition to what was proposed in January, as noted in the summary:

- **Homeless Housing, Assistance and Prevention (HHAP) Round 5 Grant Program**— Reducing \$260 million one-time in 2025-26 for HHAP Round 5 supplemental grant funding.
- **Multifamily Housing Program**—Eliminating the remaining \$75 million in 2023-24 for this program, in addition to the \$250 million proposed at Governor’s Budget.
- **Adaptive Reuse Program**—Reducing \$127.5 million in 2023-24, which will eliminate the program.

NEW: Low Income Housing Tax Credits—The May-Revise proposes one-time additional \$500 million in state Low Income Housing Tax Credits for 2024-25.

The final budget must be passed by June 15 and budget trailer bills must be passed by the end of session on August 31. For now, the Legislature and the Governor will continue to negotiate the details. For more information, please see the Governor’s [press release](#).



American Planning Association
California Chapter

Creating Great Communities for All

Governor Newsom Announces Homeless Funding, Calls for Greater Accountability

The Governor is supporting new legislation that will add measures to hold cities and counties accountable to adequately address homelessness. The legislation, [AB 3093 \(Ward\)](#), will require local jurisdictions to account for the needs of their homeless populations and lowest income households as part of the Regional Housing Needs Allocation (RHNA) process and in local housing plans. This bill would implement a recommendation from HCD's recently released RHNA report, [California's Housing Future 2040: The Next Regional Housing Needs Allocation](#). APA California participated in HCD's stakeholder process that helped inform this report and it's intended to provide guidance to the Legislature on potential changes to the RHNA process for the 7th cycle and beyond.

APA California's Work in the Legislature

APA California is actively engaged in many bills. In fact, we work closely with legislative and committee staff on amendments and clarifications to bills before taking a position. As an organization, APA California is often asked to provide feedback on planning related bills and provide technical expertise, giving a voice to planners and an opportunity to help shape legislation. This is a valuable role that the Chapter works hard to maintain and noted above, several discussions on proposed bills are ongoing. After meeting with key members of the Legislature last month, we continue to discuss the work planners are doing at the local level to implement and keep up with all the planning related bills that pass year over year and how that relates to the cumulative impact of bills on the table this year. We also continue seek opportunities to suggest tangible ways, absent fiscal resources at the state level, that the Legislature can help to make implementation more successful and support the planning community.